

Message Text

CONFIDENTIAL

PAGE 01 QUITO 02612 212330Z

ACTION ARA-10

INFO OCT-01 ISO-00 EB-08 L-03 TRSE-00 FEA-01 SS-15

NSC-05 CIAE-00 INR-07 NSAE-00 /050 W

-----221015Z 054996 /13

R 212300Z APR 77

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 4027

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 2612

E.O. 11652: GDS

TAGS: EINV, ENRG, PFOR, EC

SUBJECT: USG LETTER OF ASSURANCE

REF: STATE 086861

1. EMBASSY DISCUSSED PREVIOUS DRAFT OF LETTER WITH VISITING GULF COUNSEL GLEN LUCAS, WHO SAID HE HAD NO OBJECTION TO THE PHRASE "AND WILL DO SO IN ACCORDANCE WITH ECUADOREAN LAW, PROVIDED THE LAW IS APPLIED FAIRLY AND JUSTLY," AND THAT ON BALANCE HE WOULD RATHER HAVE IT INCLUDED IN THE LETTER. EMBASSY SUGGESTED INCLUDING PHRASE "EXISTING LAW" (TO TAKE CARE OF DEPARTMENT'S OBJECTION 1 B IN REFTEL), AND LUCAS SAID THIS WOULD INDEED IMPROVE THE LETTER.

2. CHARGE TOOK DRAFT OF LETTER TO FINANCE MINISTER SEVILLA EVENING OF APRIL 20. SEVILLA SAID HE WAS CONCERNED ONLY ABOUT GULF'S TAX OBLIGATION (THE UNDER- AND OVER-RETENTIONS) AND SUGGESTED THE CHANGE BELOW. SEVILLA HIMSELF SUGGESTED INCLUDING REFERENCE TO THE DECEMBER 31 DATE, AND HE MADE NO COMMENT AGAINST THE PHRASE "PROVIDED THE LAW IS APPLIED FAIRLY AND JUSTLY." FOLLOWING DRAFT THUS REPRESENTS SEVILLA'S OWN SUGGESTIONS FOR CHANGES, AND HAS BEEN CLEARED WITH LUCAS, WHO BELIEVES IT TO BE A SIGNIFICANT IMPROVEMENT.

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3. BEGIN QUOTE. MY GOVERNMENT IS GRATIFIED THAT THE GOVERNMENT OF ECUADOR AND THE ECUADOREAN GULF OIL COMPANY HAVE SUCCESSFULLY CONCLUDED A MUTUALLY SATISFACTORY AGREEMENT, AND IS CONFIDENT THAT THEY WILL CARRY IT OUT IN ACCORDANCE WITH ITS TERMS.

4. IN ACCORDANCE WITH OUR REQUEST, MY GOVERNMENT IS PLEASED

TO GIVE THE ASSURANCE THAT, AFTER THE GOVERNMENT OF ECUADOR AND THE ECUADOREAN GULF OIL COMPANY SIGN THE TRANSFER AGREEMENT AUTHORIZED BY DECREE 1064 DATED JANUARY 13, 1977, THE GOVERNMENT OF THE UNITED STATES WILL EXERCISE, IF NECESSARY, THE MORAL SUASION AVAILABLE TO IT TO THE END THAT THE ECUADOREAN GULF OIL COMPANY WILL COMPLY WITH THE ECUADOREAN TAX LAWS EXISTING AS OF DECEMBER 31, 1976, PROVIDED THE LAWS ARE APPLIED FAIRLY AND JUSTLY. SIGNED: AMBASSADOR RICHARD J. BLOOMFIELD. END QUOTE.

5. VARIOUS REMARKS MADE BY SEVILLA TO EMBOFFS STRONGLY INDICATE THAT SEVILLA WILL NOT NEED CLEARANCES FOR THIS TEXT FROM OTHER GOE ELEMENTS.
CORR

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, TEXT, TAX LAW, COMPENSATION, PUBLIC CORRESPONDENCE
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977QUITO02612
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770140-0326
Format: TEL
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770433/aaaabcga.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: 024e30a1-c288-dd11-92da-001cc4696bcc
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Channel Indicators: n/a
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Retention: 0
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Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2737060
Secure: OPEN
Status: NATIVE
Subject: USG LETTER OF ASSURANCE
TAGS: EINV, ENRG, PFOR, PGOV, EC, US, GULF OIL CORP
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/024e30a1-c288-dd11-92da-001cc4696bcc
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